

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7105

BILL NUMBER: HB 1347

DATE PREPARED: Feb 22, 2002

BILL AMENDED: Feb 21, 2002

SUBJECT: Public Safety Worker Occupational Diseases.

FISCAL ANALYST: James Sperlik

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FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill creates a presumption that an emergency services employee or a public safety employee who incurs death or disability from a health condition caused AIDS, anthrax, hepatitis, HIV, meningococcal meningitis, smallpox, or tuberculosis acquired while performing duties in the scope of the employee's employment and meets other requirements has incurred a death or disability in the line of duty and provides for certain benefits due to the employee who has incurred death or a disability in the line of duty. It allows a meeting or hearing to rebut the presumption to be held as an executive session.

Effective Date: July 1, 2002.

Explanation of State Expenditures: (Revised) In 1998, less than one percent of all deaths could be attributable to hepatitis, meningococcal meningitis, or tuberculosis. It is much more difficult to determine what percent of disabilities could be attributable to the diseases mentioned in this bill, but it is expected to be higher than the one percent for deaths mentioned above. In 1998, there were about 44,325 cases of the three diseases which is near the number of AIDS cases (46,521). It is not known how many of these cases resulted in death or disability.

The employees affected by this bill include State Police, conservation and excise officers, correctional officers, and emergency services employees. The funds affected are the: (1) State Police Pension Plan; (2) Conservation and Excises Officers Retirement Fund; and (4) Public Employees' Retirement Fund (PERF).

There likely will be a fiscal impact associated with this proposal, but it is expected to be relatively minor. The actuarial assumptions and funding methods for the above-mentioned plans would not be changed. Any increased cost would be treated as an actuarial loss and amortized over 30 years.

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) See *Explanation of State Expenditures*.

The employees affected by this bill include local police and firefighters, county police officers, county sheriffs, town marshals, deputy town marshals, and emergency medical services providers. The funds affected would be the: (1) 1925, 1937, 1953, and 1977 Police Officers' and Firefighters' Disability Fund; county sheriff plans, and PERF.

Explanation of Local Revenues:

State Agencies Affected: State Police; Department of Natural Resources; Department of Corrections; and any agency with emergency medical provides.

Local Agencies Affected: Counties, cities, towns, and townships.

Information Sources: Doug Todd of McCready & Keane, Inc., actuaries for PERF, the State Police, Conservation and Excise Officers' Fund, Police and Fire Funds, and many of the county sheriff plans, 576-1508.

DEFINITIONS

Actuarial Gain or Loss - the effects of actuarial costs of deviations or differences between the past events predicted by actuarial assumptions and the events that actually occurred. An actuarial *gain* results where the actual experience under the plan is more favorable than the actuary's estimate, while an actuarial loss reflects an unexpectedly adverse deviation.

Amortization - paying off an interest-bearing liability by gradual reduction through a series of installments as opposed to paying it off by one lump-sum payment.